

Exhibit 3

*State of California ex. rel. Ven-A-Care of the Florida Keys, Inc. v.
Abbott Laboratories, Inc., et al.*

Exhibit to the Declaration of Nicholas N. Paul in Support of
Plaintiffs' Opposition to Defendants' Joint Motion for Partial Summary Judgment

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

- - - - -
IN RE: PHARMACEUTICAL) MDL NO. 1456
INDUSTRY AVERAGE WHOLESALE) CIVIL ACTION
PRICE LITIGATION) 01-CV-12257-PBS
THIS DOCUMENT RELATES TO)
U.S. ex rel. Ven-a-Care of) Judge Patti B. Saris
the Florida Keys, Inc.)
v.) Chief Magistrate
Abbott Laboratories, Inc.,) Judge Marianne B.
No. 06-CV-11337-PBS) Bowler
- - - - -

(cross-captions on following pages)

Washington, D.C.
Thursday, February 27, 2007
9:00 a.m.

Videotaped deposition of DEIRDRE DUZOR
Volume II

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1 reduce pharmacy reimbursement from the higher
2 rate that it was going to revert to.

3 Q. It was a temporary reduction to AWP
4 minus 14 percent because the governor wanted to
5 reduce Medicaid expenditures for a certain fiscal
6 year; is that right?

7 MS. MARTINEZ: Objection, form.

8 A. Yes. That's what it appears to be. I
9 don't, you know, at the present time really
10 recall this in detail. So based upon the
11 document that I'm looking at, yes.

12 Q. In order for you to approve this state
13 plan would Minnesota need to provide you
14 documentation that AWP minus 11 percent was their
15 best estimate of the price that providers were
16 currently and generally paying for drug products
17 in Minnesota?

18 MS. MARTINEZ: Objection, form.

19 A. At the time our interest was
20 encouraging states to reduce their payment. And
21 so if they were going to be reducing their
22 payment, as long as that would not result in an

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1 access problem we were generally accepting their
2 documentation that this was a better payment than
3 what would otherwise be paid, more appropriate
4 payment.

5 Q. So this would fall under the decision
6 memo options that we saw earlier in Abbott
7 Exhibits 328 and 487?

8 MS. MARTINEZ: Objection, form.

9 A. I don't know that it would -- I
10 wouldn't say it would fall under those. That was
11 guidance or an expansion of the kinds of factors
12 that we would look at as we were evaluating state
13 plan amendments. So it is consistent with it to
14 the extent that the result of this amendment
15 would be to lower reimbursement to a more
16 appropriate level than would otherwise be the
17 case.

18 Q. What if the proposed amendment did not
19 reduce the reimbursement amount to the prices at
20 which pharmacies were generally and currently
21 paying for drugs?

22 A. We did not have independent evidence as

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1 to what the pharmacies were currently paying for
2 drugs. So, you know, we didn't have that
3 information in order to compare to it. The only
4 thing we had was the Inspector General's report.

5 Q. Which showed that AWP was at this time
6 for brand-name drugs AWP minus 20 for brand-name
7 drugs and AWP minus roughly 66 percent for
8 generics, right?

9 MS. MARTINEZ: Objection to form.

10 A. I thought it was AWP minus 17.
11 Whatever, it was lower than what the state was
12 proposing here. But again, this was lower than
13 what they would have otherwise been paying. So
14 it was -- they were moving in the right
15 direction.

16 (Exhibit Abbott 490 was marked for
17 identification.)

18 BY MR. TORBORG:

19 Q. For the record, what I've marked as
20 Abbott Exhibit 490 bears the Bates numbers HHC
21 002-0172 through 75. It is a December 10th 2002
22 letter from John Coster to Sharon Summers at the